



Leading learning and skills

Tees Valley Learning and Skills Council Annual Plan 2006-07

May 2006

Of Interest to National, Regional and
Local Learning and Skills Colleagues

Contents

Our vision	3
Progress towards Tees Valley headline targets	5
Our priorities	6
Our targets	7
Our values	10
A context for delivery	11
Demand– individuals and communities	11
Demand– employers	13
Supply issues – capacity	15
The relationship of supply and demand	18
How provision has been shifting	19
Regional skills priority matrix	22
What we have delivered and our planned changes for 2006/07	23
Those not in education, employment or training	25
The key changes needed	26
Key actions	27
Our delivery resources	35
Partnership working	35
Local Council	36
Current further education estate	36
Equality and diversity	37
Reducing re-offending through learning and skills	38
Learners with learning difficulties and/or disabilities	39
Sustainable development	39
Health and safety	40

Our vision

We are pleased to present the Learning and Skills Council (LSC) Tees Valley's Annual Plan for 2006-07. Following consultation with our key partners and stakeholders, this plan sets out how we will be targeting resources to tackle the key issues identified and deliver our strategic priorities.

In last year's plan we outlined our medium term vision for learning in the Tees Valley:

By 2008 the Tees Valley will have a responsive learning environment in which employers, individuals and communities will be able to access, progress and succeed in high quality learning that meets their needs¹

The last year has seen us make significant progress towards this vision:

- Increasing achievement of Level 2 by the age of 19. Post 16 provision is adding 30 percentage points to the proportion of 19 year olds in the Tees Valley with a Level 2, the highest 'added value' in the country.
- A significant increase in Apprenticeship success rates – from 28% in 2002/03 to a current rate of 44%.
- Almost 6,000 young people in further education in the Tees Valley currently have an Education Maintenance Allowance.
- Nearly 22,000 adults had improved their basic skills and achieved national accreditation by July 2005. Our own research suggests that we have already exceeded our original 2001-2007 target of 22,127.
- Working closely with Connexions, we have seen the proportion of young people not in education, employment or training (NEET) fall from 10.2% to 9.8%, below the regional average. In addition, we have seen a significant fall in the numbers whose current status is not known, from 18.3% to 6.4%, below both the regional and national averages.

There have been considerable developments in supporting colleges to achieve world class standards in their premises, thereby improving the quality of the learning experience. Recent activity includes further developments at Stockton Riverside College and Queen Elizabeth Sixth Form College as well as the construction of the new Darlington College as part of a major regeneration scheme in the town. In addition the LSC has granted approval in principle to major new college developments at Redcar & Cleveland and Middlesbrough, the latter being a key part of the Middlehaven regeneration scheme. Hartlepool College of Further Education has also received approval for a partial refurbishment.

¹ Three year vision approved by LSC Tees Valley Local Council January 2005 and published in 2005/06 Annual Plan for LSC Tees Valley
G:\Organisational Data\Knowledge Services at CVHE-Comms\Annual Plans-Final\Tees Valley Final Annual Plan May 06.doc
09/06/2006

We have also continued to pay close attention to colleges in poor financial health and ensure that plans are in place to improve their situation. Improvements in recent years mean that we do not anticipate any such issues over the coming twelve months.

Our focus for 2006-07 is to build on the Tees Valley's success to date by embracing the national priorities in this plan:

1. Ensure that all 14-19 year olds have access to high quality, relevant learning opportunities.
2. Make learning truly demand-led so that it better meets the needs of employers, young people and adults.
3. Transform the learning and skills sector through Agenda for Change.
4. Strengthen the role of the LSC in economic development so that we provide the skills needed to help individuals into jobs.
5. Improve the skills of workers who are delivering public services.
6. Strengthen the capacity of the LSC to lead change nationally, regionally and locally.

During the life of this Plan, the LSC will undertake a major restructuring in the way that it operates, improving and developing partnership working and delivery locally, whilst ensuring activity carried out regionally and nationally is appropriately focussed. This is supported by dedicated teams at a local level. The aim of this change is to raise the impact that the LSC is making in increasing the level of learning and skills of the nation.

The significant input and support from a wide range of stakeholders – from the further education sector, work-based learning providers, schools, local education authorities and the voluntary and community sector, for example - is fully acknowledged. We are also grateful for the important contribution of local Council members. The success of this plan depends on the continued efforts of our partners and stakeholders and we look forward to further successful joint working during 2006-2007.

Terry Dabbs
Chairman,
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Table 1: Progress towards Tees Valley headline targets²

Target Area	Target 2003/2004	Achievement 2003/2004	Target 2004/2005	Achievement 2004-2005	Target 2005/2006	Progress toward target 2005- 2006	Ahead (↑) On (→) or Behind (↓) Target Indicator
1. 16-18 Learner numbers, including:	22,499	23,277	22,963	23,764	22,628	19,843	→
FE element ^a	17,200	18,260	17,799	18,530	17,361	15,256	→
WBL element ^b , including	4,400	4,118	4,243	4,323	4,333	3,636	→
Apprentice and NVQ Programmes – Average In Learning ^b , combining:	3,200	2,949	2,847	2,892	2,833	2,901	↑
Apprenticeships ^b				2,046		2,067	
Advanced Apprenticeships ^b				722		781	
NVQ learning ^b				124		53	
Entry to Employment (E2E) – Starts ^b	1,200	1,169	1,396	1,431	1,500	735	→
School Sixth Form Element ^b	899	899	921	911	934	951	↑
2. Success Rates - FE - All Courses and Ages ^c	70.30%	70.88%	71.60%	74% (indicative)	74.80%	Not yet available	
3. Success Rates - WBL Floor Target - All Programmes and Ages ^b , including	48.40%	48.00%	49.00%	51.99%	52.00%	51.14%	→
Apprenticeship Framework Completions ^b			35.00%	41.79%	42.00%	42.37%	→
Apprenticeship NVQ Only ^b				9.44%			
NVQ Learning Success ^b				62.50%			
4. First Time Apprenticeships – Starts ^d	2,900	2,562	3,300	2,615			
5. E2E - Positive Progressions ^b			47.00%	40.00%	45.00%	45.83%	→
6. Skills for Life Achievements ^b	9,927 (2001-04)	5,054 (14,485 total)	4,200	7,281	4,000	Not yet available	↑

Latest achievement or progress to data as of: ^a November 2005; ^b January 2006; ^c Academic Year 2004/05; ^d July 2005

² Source: LSC administrative data

Our priorities

We have published our second Annual Statement of Priorities which will take us further forward in our aim of transformation. Our six priorities for 2006/07 are to:

1. Ensure that all 14-19 year olds have access to high quality, relevant learning opportunities.
2. Make learning truly demand-led so that it better meets the needs of employers, young people and adults.
3. Transform the learning and skills sector through Agenda for Change.
4. Strengthen the role of the LSC in economic development so that we provide the skills needed to help individuals into jobs.
5. Improve the skills of workers who are delivering public services.
6. Strengthen the capacity of the LSC to lead change nationally, regionally and locally.

Our regional priorities for the North East

The Regional Skills Partnership Action Plan has recently been revised, but retains the seven objectives set out for 2005/06. Our commitment, as a member of the Partnership, is to all those objectives. But our operational focus, and the focus of our resources, should be on those to:

- Increase employer demand for, and investment in, skills.
- Raise individual aspirations and demand for learning and provide individuals with opportunities throughout life to achieve their aspirations and embrace change.
- Enable those excluded from the labour market to access learning and sustainable employment.
- Ensure all individuals have the foundations for employability - the attainment of Skills for Life and a first Level 2 qualification.
- Increase the achievement of intermediate and higher level skills to support growth, innovation and productivity.
- Enable colleges and learning providers to be more responsive to employers' and learners' needs.

And we endorse the Partnership's priorities, which are to:

- Develop management and leadership skills and capability.
- Increase the proportion of the workforce qualified to Level 3.
- Support individuals not currently participating in the labour market to access learning and sustainable employment.
- Ensure young people are motivated and skilled in order to enter and succeed in an increasingly knowledge based labour market.

Our targets

Under priority 1, for young people:

Increase the proportion of 19 year olds who achieve at least Level 2 by 3 percentage points between 2004 and 2006, and a further two percentage points between 2006 and 2008, and improve attainment at Level 3.

- Nationally we need an additional 31,000 young people to gain a Level 2 in 2005/06 compared to 2003/04 and a further 22,000 in 2007/08 compared to 2005/06.

Table 2: Achievement of Level 2 by age 19 - Tees Valley			
	19 yr olds in 2004 Baseline year	19 yr olds in 2006 Target year	19 yr olds in 2008 Target year
Cohort size	9,413	9,406	9,141
Level 2 by age 16	3,952	4,309	4,645
% Level 2 by age 16	42%	46%	51%
Those without Level 2 by age 16	5,461	5,097	4,496
Level 2 by age 19	6,763	7,241	7,496
Growth at 19		478	255
Level 2 between 16 and 19	2,811	2,932	2,851
% without Level 2 at 16 reaching it by age 19	52%	58%	63%
% at Level 2 by 19	72%	77%	82%
% 'value added' post 16	30%	31%	31%

Source: Matched Administrative Dataset updated for 04/05

- The Tees Valley was 5 percentage points above the national baseline figure for Level 2 achievements at age 19 with 72% in 2004. The 2005 figures saw an increase by 2 percentage points to 74%. The strategy developed to increase the performance and achievement of our young people will see this rise to 7 percentage points above the national target in 2006 and 10 percentage points above by 2008. This will result in achievement at Level 2 by age 19 in the Tees Valley rising to 77% (7,241 young people) in 2006 and 82% (7,496 young people) in 2008.
- The target for 2006 would mean that 58% of those without a Level 2 at age 16 would achieve it by age 19, compared with 52% in 2004. The 2008 target would mean 63% of those without a Level 2 at 16 would get it by the time they reach 19.
- Locally therefore, an additional 255 young people will gain a Level 2 in 2007/08 compared to 2005/06.

Under priority 2, for adults:

Reduce by at least 40 per cent the number of adults in the workforce who lack an NVQ Level 2 or equivalent qualification by 2010.

- Nationally, in 2006/07 we need to increase the numbers of full Level 2 achievements through further education and work-based learning to 117,000 [*N.B. excludes NES and NETP elements*]. In addition, the roll out of the National Employer Training Programme will increase the LSC contribution to this target.
- Locally in 2004/05 we delivered 2,706 full Level 2 qualifications to adults through further education and work-based learning, and a further 2,064 through ETP.
- In 2005/06 we anticipate that delivery through further education and work-based learning will rise to 3,198, with ETP at 782 (ETP funded only). An additional 1,050 full Level 2 qualifications will be delivered via the European Social Fund (ETP badged).
- Locally we plan to deliver 3,456 full Level 2 achievements through further education and work-based learning in 2006/07, an increase of 750 compared to 2004/05 and 258 more than in 2005/06.
- In addition, we will also deliver first full Level 2 achievements through the National Employer Training Programme, Train to Gain.

Under priority 2, for adults:

Improve the basic skills of 2.25 million adults between 2001 and 2010, with a milestone of 1.5 million in 2007.

Table 3: Skills for Life achievements – Tees Valley		
	Total Achievements	Total Counting towards LSC target
2006/07		6,725
2005/06		6,168
2004/05	13,928	7,281
2003/04	9,169	5,054
2002/03	5,132	3,036

Source: National Skills for Life Database

- Between 2001 and 2004, an estimated 14,485 achievements that count towards the Skills for Life target were recorded against a target of 9,927, a 46% over-achievement. For the next phase, 2005-2007, our original target was set at 12,200.
- Achievement counting against the target in 2004/05 is currently reported as 7,281, compared with the previous year figure of 5,054.
- In view of this increase in achievement, and recognising the continued high priority placed on Skills for Life in the Tees Valley, we have

revised our 2004/07 target up to 20,174. This represents an increase of some 65% over the original 3-year target.

- To achieve this increase, locally we need 6,725 learners to achieve relevant Skills for Life qualifications in 2006/07.

Underpinning both priorities 1 and 2, for Apprenticeships:

The LSC has agreed a new Performance Indicator for Apprenticeships. The aim is for 75 per cent more people to complete their Apprenticeships in 2007/08, compared to 2002/03.

- Nationally we aim to raise the number of completions to 70,000 in 2006/07 supporting the achievement of Level 2 and Level 3 qualification targets.

Table 4: Apprenticeship completions - Tees Valley			
All ages	Total leavers	Framework completions	Framework success rate
<i>2007/08 Target</i>	<i>3,178</i>	<i>1,619</i>	<i>51%</i>
<i>2006/07 Milestone</i>	<i>3,178</i>	<i>1,522</i>	<i>48%</i>
<i>2005/06 Milestone</i>	<i>3,178</i>	<i>1,425</i>	<i>45%</i>
2004/05 Actual	3,178	1,328	42%
2003/04 Actual	3,109	961	31%
2002/03 Actual	3,243	925	29%

Source: ILR

- In 2002/03, the number of Apprenticeship framework completions was 925. In order to match the agreed national increase in achievement, this figure will rise to 1,619 by 2007/08.
- Success rates in recent years have risen significantly, and we will continue to see success as a key priority.
- Assuming no increase in Apprenticeship numbers, the 2007/08 target would require a success rate of 51%.
- In order to move towards our 2007/08 framework completions target of 1,619, we have set a milestone 1,522 in 2006/07, and we have ensured that we have contracted more than sufficient completions in 2006/07 to meet this milestone.

We will also work with key partners to contribute to the following targets:

- Increase the proportion of young people and adults achieving a Level 3 qualification. It is anticipated that there will also be a National target for Level 3 achievements by age 19; this will be reflected at a local level later in 2006/07.
- Reduce the proportion of young people not in education, employment or training by two percentage points by 2010. This is highlighted as a priority

for the North East. There is a high level strategic commitment to addressing this issue through joint regional working and local partnership activity, such as via Local Area Agreements.

- Increase participation in Higher Education towards 50 per cent of those aged 18 to 30 by 2010. Locally, we aim to prepare more learners for Higher Education through increased progression to Level 3.

Our values

Our values set out for us the way we work.

- **Trust:** the LSC has to be world-class at partnership and so we believe trust must be at the heart of the LSC.
- **Expertise:** we demonstrate expertise and true leadership in every aspect of our work. We have complete understanding of the communities we serve and of what is needed by business in terms of current and future skills.
- **Ambition:** we are ambitious for ourselves, in the goals and objectives we set, but more importantly we are ambitious for the communities we serve, for employers and for individuals in education and training.
- **Urgency:** we want to bring drive and urgency to the learning and skills sector, to tackle long-standing issues swiftly and professionally and to be responsive and fast moving.

Together, our four values will ensure the LSC can provide leadership and direction at a time of great change.

Our plan sets out how we will deliver our national and regional priorities in a local context highlighting what actions will be critically important in local delivery and what our contribution to the national targets will be.

A context for delivery

This part of the plan outlines the key issues facing the Tees Valley and assesses their impact in the context of learning and skills. The first section examines the key demand issues of individuals, communities and employers. The key issues relating to our capacity to satisfy, and in some cases influence that demand are also summarised. This is then followed by an assessment of the relationship between supply and demand. The final section looks at the degree to which provision has already started to shift towards the key priorities.

Demand - Individuals and communities

Issue 1 – Cohort numbers start to fall

Numbers of Year 11 leavers in the Tees Valley are likely to remain fairly constant in the short term, but the indications are that they will start to decline after 2007/08.³ This will start to have more significant impact on 16-18 learner numbers in the medium term. However, overall learner numbers are likely to continue to be inflated by a net inflow into the Tees Valley.

Impact – In the longer term, this downward trend will encourage new ways of working between providers, ensuring that the breadth of learning offered to young people is not adversely affected. The relatively high number of those not in education, employment or training provides an additional potential resource of young people who are currently not attracted into learning.

Issue 2 – Large numbers leaving school without Level 2

Whilst achievement rates continue to rise, significant numbers of young people still leave school without achieving a full Level 2; rates at neighbouring schools can vary by as much as 60 percentage points.⁴ Achievement at Level 1 is often by default (i.e. failure to reach Level 2) rather than by completion of a Level 1 course.

Impact – The need to bring young people up to Level 2 will remain a key priority. The development of 14-19 plans will ensure that young people are better prepared to undergo a smoother transition into post-16 learning.

Issue 3 – Declining participation rates at age 17 and 18

Progression rates into continued learning after 16 are close to the national average. Progression to work based learning is significantly above the national average. However, participation rates fall steeply at age 17 and again at age 18. This is generally not the result of learners failing to complete, but rather a lack of progression to higher levels of learning.⁵ Nevertheless, the proportion of young

³ Year 11 2005 – Source: PLASC January 2005. Year 11 2006 – Source: LEAs based on September pupil count, plus estimates for private schools. Projection – Source: Tees Valley Joint Strategy Unit (2003-based)

⁴ DfES School and College Achievement and Attainment Tables 2005

⁵ ILR F04 2004/05

people who are NEET is higher at 18 than at 17, and higher at 17 than at 16.⁶ Evidence also points to a high incidence of juvenile offenders within the NEET group as a whole.⁷

Impact – There is a need to ensure that the learning offered meets the needs of learners post-16 – both those wishing to progress beyond Level 2 and those who have yet to reach that threshold. Partnership working (e.g. with Connexions) will be crucial in promoting the benefits of continued learning.

Issue 4 – Migration of learners

There is a net inflow of young learners into the Tees Valley, particularly from North Yorkshire into Darlington. Whilst there is movement of Tees Valley learners around the sub-region, this does not appear to have an adverse impact on participation rates.⁸

Impact – Planning the offer to young learners must take into account those who travel into the area. Within the sub-region, young people living in the Tees Valley also recognise the benefits of travelling across the urban area to the institution most appropriate for their studies, rather than to the nearest provider.

Issue 5 – Poor literacy and numeracy levels

The literacy and numeracy achievement levels of adults remain well behind national levels, despite significant achievement in recent years.⁹

Impact – There is a need to ensure that providers are fully aware of which courses should be offered to adults and that assessment is effective at the time of access. Without the appropriate literacy and numeracy skills, adults are unable to progress to higher levels and provide the skills we need.

Issue 6 – Low qualification levels

Qualification levels of the adult population are below the national average,¹⁰ with a significant proportion (34.7%) possessing no formal qualifications.¹¹ There is a high level of correlation between qualification levels and levels of deprivation.¹²

Impact – There is a need to focus widening participation on adults from disadvantaged groups or deprived areas. This will require innovative approaches since it is in these areas that barriers to learning will be greatest.

⁶ Connexions Destinations Survey 2004

⁷ Internal analysis undertaken as part of OLAS work

⁸ ILR F04 2004/05

⁹ DfES Skills for Life Survey 2003

¹⁰ Local Labour Force Survey 2003/04

¹¹ 2001 Census of Population

¹² Tees Valley Joint Strategy Unit analysis

Demand - employers

Issue 1 – Skills deficits in the workforce

There are a number of themes that underpin the skills deficit in the workforce as a whole within the Tees Valley. These include the need to address Skills for Life issues and the need to reduce the numbers of those in the workplace who do not currently possess a first Level 2 qualification.

Impact – The implementation of Train to Gain in 2006/2007 will assist all organisations in addressing these issues, but will also, via independent brokerage, take an holistic approach to workforce development and skills issues across all sectors.

Issue 2 – Impact of Sector Skills Agreements

Whilst Train to Gain will provide support for organisations across all sectors, the development of Sector Skills Agreements provides a focus for specific actions within particular sectors.

Impact – The Sector Skills Agreements will form a major part of the rigour for the employer engagement element of our Agenda for Change and the provision of learning as it relates to employer needs.

Issue 3 – Local drivers of demand

Whilst Sector Skills Agreements are in place to address national skills issues, there are a number of drivers that will also influence provision.

Impact – A number of local initiatives are needed to tackle these specific Tees Valley issues. Within the health sector, which could absorb at least 50% of all school leavers, local initiatives have been introduced under the STEPS banner to provide experience for 14-16 year olds in the Tees Valley in the sector. Programmes are also being developed within the food and drink and contact centre sectors to ensure that they can continue to prosper and attract and maintain a skilled and motivated workforce.

Issue 4 – Low skills of the economically inactive

Qualification levels of the adult population are below the national average.¹³ In addition, literacy and numeracy levels of adults in the Tees Valley are significantly below the national average.¹⁴

Impact – A large proportion of Tees Valley adults of working age, principally those currently not in employment, do not possess the qualification levels employers increasingly want – a significant contributor to the worklessness issue. There are likely to be increased barriers, particularly for those currently not in employment, to recognising the benefits of learning. This is a particular problem for those residents living in the most deprived wards. We need to work with partners such

¹³ Local Labour Force Survey 2003/04

¹⁴ DfES Skills for Life Survey 2003

as Job Centre Plus and other partners to develop innovative approaches to encourage those most disadvantaged back into learning.

Issue 5 – Changing employment structure produces new skills needs

Table 5 summarises employment projections for the Tees Valley produced as part of the Working Futures exercise. This analysis also included occupational and qualification level projections.

Table 5: Employment projections 2004-2014			
	Levels 000's		
	2004	2009	2014
Primary sector & utilities	10	10	10
Food, drink and tobacco	<10	<10	<10
Engineering	<10	<10	<10
Rest of manufacturing	32	30	27
Construction	20	20	19
Distribution	47	48	49
Hotels and catering	18	19	19
Transport & telecommunications	16	17	19
Banking & insurance	<10	<10	<10
Other business services	38	40	43
Public admin and defence	16	16	15
Education	25	26	26
Health and social work	38	40	40
Miscellaneous services	16	16	16
All industries	287	291	295

Source: Working Futures

Key Changes:

- Growth in the overall employment level in the Tees Valley by around 8,000 employees between 2004 and 2014.
- Growth in employment levels in service sector industries, particularly Other Business Services, but decline in Manufacturing and Construction.
- Growth in employment in Managerial, Professional and Associate Professional occupations, and also in Personal Service, Sales & Customer Service occupations.
- Growth in employment requiring Level 3 or higher qualifications, and decline in employment requiring none or very low level qualifications.
- Even those sectors and occupations which are projected to decline in overall employment will still have recruitment needs in order to replace workers who leave through turnover and retirement (replacement demand).

- Replacement demand in the Tees Valley between 2004 and 2014 will be in the order of 104,000 employees, leading to a net recruitment requirement of around 112,000 over this period. The largest requirements will be in Distribution, Other Business Services, Health & Social Work and Education.

Impact – Need to ensure an appropriate mix of provision exists to meet the changing needs of industry.

Supply issues - capacity

Issue 1 – Reaching Level 2 by age 19

Around one half of young people leave school having not achieved a Level 2 qualification. The current pattern of learning ensures that, by age 19, the proportion of those achieving Level 2, or equivalent, has increased by 30 percentage points. The bulk of that achievement currently relates to NVQs, rather than GCSEs.¹⁵

Impact – The current pattern of provision meets the needs of learners and delivers significant growth in achievement of Level 2 by age 19. If achievements at Level 2 by age 16 continue to rise, this will allow providers to adjust the offer available towards an increase at Level 3, particularly in the vocational sector.

Issue 2 – Changing institutions after age 16

Of those continuing in full time education after Year 11 (2004 – 67%), 88% moved to a new institution.¹⁶ The normal pattern of post-16 further education learning in each of the five boroughs in the Tees Valley is one sixth form college and one general further education college. Two of the five local authority areas currently have no LSC-funded school sixth form. The larger size of the sixth form colleges, compared with individual school sixth forms, allows a wider range of curriculum to be offered. Reducing the number of providers could place severe restrictions on learner choice. However, there may be benefits in replacing the smallest sixth form college with a federation option or amalgamation with a nearby sixth form college.

Impact – Replacing one sixth form college with a sixth form centre, or its amalgamation with another college, could allow increased learner choice for both young people and adults. It could also increase progression post-16. A plan by three neighbouring schools for a new sixth form centre, to raise participation in another part of the Tees Valley, is in a more advanced state of development.

Issue 3 – Meeting the needs of young people not achieving Level 2

As the achievement rates in local schools are improving, more young people are leaving school with the equivalent of a Level 2. However, the declining numbers of those who do not achieve Level 2 are increasingly those who are the hardest to

¹⁵ LSC/DfES matched dataset

¹⁶ Connexions Destinations Survey 2004

help. In many instances, appropriate Level 1 provision is required before movement to Level 2 provision can be considered.

Impact – Meeting the needs of young people not achieving level 2 is being further investigated in the context of 14-19 planning. The provider network needs to be equipped in terms of staffing capacity, expertise and curriculum offer to ensure that they can meet the needs of this group. The extension of the Education Maintenance Allowance should mean that more young people than ever will wish to participate in post-16 learning. Provision needs to change to respond to this growth in demand.

Issue 4 – Ensuring appropriate Skills for Life provision

The volumes of learners currently achieving Skills for Life qualifications within the Tees Valley are sufficient to meet the local targets. However, the proportion of learning provision that currently counts towards the Skill for Life target is too low. This is of particular concern for adult learners. The issue is important in the further education sector, in particular within adult and community learning, where only 10% of the provision counted towards the target in 2004/05.¹⁷ Early indications for 2005/06 suggest a significant increase in the proportion of provision that counts towards the target, in particular in adult and community learning.

Impact – Many learners are at a disadvantage because their achievement is not against the national framework. It also means that, within the Tees Valley, there is a potential danger of failing to meet the targets in relation to Skills for Life and failing to make an appropriate contribution at a regional and national level to improving the literacy and numeracy of adults.

Issue 5 – Reducing Apprenticeship non-completions

The Tees Valley has a higher proportion than the region of learners who leave work based learning without either an NVQ or a framework. However, within the network of local providers, there are a number that perform at a level of completion much higher than similar providers within the same occupational areas.¹⁸

Impact – There is a wide variation across the work based learning network in relation to completion levels within similar provision and sectors. This is being actively dealt with and completion levels are increasing to reflect this. However, too many young people can spend more than a year on a programme and fail to achieve either an NVQ or a framework completion. A more detailed analysis of length of stay and achievement levels will be conducted to look for patterns where young people are on programmes for a considerable length of time and fail to achieve.

Issue 6 – Responding to skills needs

The take up of learning in the Tees Valley shows that, at the current time, the influence of the key sectors is not greatly influencing learner choice. As is to be expected, this is less so in work based learning where engineering and

¹⁷ National Skills for Life Database 2004/05 (latest as at January 2006)

¹⁸ ILR WBL analysis 2004/05

construction feature highly in participation. In further education, learner participation at 19+ begins to show more of an alignment with the key local sectors. However, sector participation varies greatly at Levels 1, 2 and 3. This may indicate that progression within sectors is also not taking place.¹⁹

Impact - Provision made available clearly influences demand. Colleges and other providers need to increase their responsiveness to the skills agenda and the emerging Sector Skills Agreements. While the Employer Training Pilot has begun to encourage changes in provision that respond to employer needs, there is still much more work to be done. There is also a need to ensure that vocational provision pre-16 takes account of priorities and is able to support progression post-16.

Issue 7 – Provider response to specific employer needs

The emphasis in funding policy on Adult Skills for Life and first Level 2 achievement means that, for many colleges, there is a requirement to make a considerable shift in further education funded provision away from those courses that do not meet the current stated priorities. In addition, there is a requirement for the colleges to be able to respond to the employer agenda by being flexible in their delivery, and also in seeking a greater contribution of funding.

Impact - Institutions need to become much more engaged in dialogue with employers and other key users of their services to ensure that the funding policy is communicated in a positive way. This will ensure that they will continue to engage employers and learners and, more importantly, become more responsive to the needs of their clients. This will be an area of resistance and difficulty in some institutions. As an LSC we are planning how to support local providers to address these issues.

¹⁹ ILR F04 2004/05.

The relationship of supply and demand

Whilst it is difficult to determine if supply or demand is the greater influence on take up, the following table attempts to illustrate the relationship between the two. The key demand issues identified are shown vertically, with the main supply issues across the top. The table attempts to identify where supply and demand issues appear to be linked, and, which supply issues can impact on a number of demand issues. This will allow actions to be assessed in terms of which combination of supply and demand issues they are capable of addressing, and so ensure maximum impact.

Table 6: The relationship between supply and demand							
Demand Issues	Supply Issues						
	Level 2 by Age 19	New Institutions	Young People Not Achieving Level 2	Skills for Life Provision	Apprenticeship Non-Completions	Skills Needs	Specific Employer Needs
Individuals and communities							
School Leaver Numbers	✓		✓				
Leavers Without Level 2	✓						
Declining Retention Rates			✓		✓		✓
In-Migration of Learners		✓					
Poor Literacy and Numeracy Levels				✓			
Low Qualification Levels				✓		✓	✓
Employers							
Skills Deficits in the Workforce	✓					✓	✓
Sector Skills Agreements					✓	✓	✓
Local Drivers of Demand						✓	✓
Skills of the Economically Inactive		✓		✓		✓	✓
Changing Employment Structure	✓				✓	✓	✓

How provision has been shifting

1. Further education enrolments and funding

Table 7: Enrolments and funding – all ages						
	Provision likely to contribute towards targets and/or priorities		Provision with potential to contribute towards priorities		No longer eligible for LSC funding for new learners	
% of total	Enrolments	Funding	Enrolments	Funding	Enrolments	Funding
2005/06 (FO1)	87%	85%	8%	5%	4%	1%
2004/05	68%	76%	22%	13%	10%	3%
2003/04	60%	70%	27%	17%	13%	7%
2002/03	46%	52%	28%	19%	26%	22%

Source: FE APR Differentiation reports Provision Analysis Matrix January 2006

Key changes

- 41% points increase between 2002/03 and 2005/06 in the proportion of total FE enrolments that is likely to contribute towards the targets and/or priorities, and a 33% points increase in the proportion of total FE funding in this category.
- 20% points decrease between 2002/03 and 2005/06 in the proportion of total FE enrolments that have potential to contribute towards priorities, and a 14% points decrease in the proportion of total FE funding in this category.
- 22% points decrease between 2002/03 and 2005/06 in the proportion of total FE enrolments that are no longer eligible for LSC funding for new learners, and a 21% points decrease in the proportion of total FE funding in this category.

Impact – There has been a substantial shift in provision into priority areas. There is a need to continue this shift to reduce volume of LSC funded provision that is not contributing towards national targets and/or priorities.

2. Full Level 2 and full Level 3 in further education

Table 8: Full Level 2 in further education						
	16-18 learners	16-18 achievements	16-18 success rates	19+ learners	19+ achievements	19+ success rates
2004/05	4,180	2,351	56.2%	4,119	2,381	57.8%
2003/04	3,950	2,171	55.0%	4,091	2,351	57.5%
2002/03	3,658	2,044	55.9%	3,628	2,047	56.4%

Source: FE APR Differentiation reports January 2006. Success rates are at the level of the learner.

Table 9: Full Level 3 in further education						
	16-18 learners	16-18 achievements	16-18 success rates	19+ learners	19+ achievements	19+ success rates
2004/05	7,005	3,380	48%	2,223	887	40%
2003/04	6,997	3,168	45%	2,350	954	41%
2002/03	6,873	3,239	47%	2,293	839	37%

Source: FE APR Differentiation reports January 2006. Success rates are at the level of the learner.

Key changes

- 16-18 learner numbers, achievements and success rates at full Level 2 have increased from 2002/03 to 2004/05.
- 19+ learner numbers, achievements and success rates at full Level 2 have increased from 2002/03 to 2004/05.
- 16-18 learner numbers at full Level 3 have seen an increase from 2002/03 to 2004/05. 16-18 success rates at full Level 3 saw a slight fall between 2002/03 and 2003/04 affecting achievement volumes; however these have now increased again.
- 19+ learner numbers at full Level 3 increased between 2002/03 and 2003/04 but have fallen in 2004/05. Adult success rates at full Level 3 increased to 2003/04 but have fallen very slightly to 2004/05.

Impact – Need to continue to shift provision towards full Level 2 and improve the effectiveness of this provision in order to increase achievement at Level 2 by both adults and young people, whilst recognising the benefits of progression to Level 3 and beyond (meeting the needs of employers and increasing the Tees Valley contribution to the Higher Education targets). Phase 4 of the Employer Training Pilot and the full roll out of Train to Gain is anticipated to increase the opportunity for achievement at Level 2 and above for those in the workplace.

3. Regional sector skills priorities²⁰

Table 10: Regional sector skills priorities – age 16-18			
Sector priority	HIGH	MEDIUM	LOW
% of total	Funding	Funding	Funding
2005/06 (FO1)	63%	27%	10%
2004/05	58%	23%	19%
2003/04	57%	24%	19%
2002/03	55%	24%	21%

Source: FE APR Differentiation Reports January 2006. Priority categorisation based on Sector Subject Areas

Table 11: Regional sector skills priorities – age 19+			
Sector priority	HIGH	MEDIUM	LOW
% of total	Funding	Funding	Funding
2005/06 (FO1)	74%	25%	1%
2004/05	76%	23%	2%
2003/04	75%	23%	2%
2002/03	75%	21%	4%

Source: FE APR Differentiation Reports Regional Skills Priority and Provision Matrix January 2006. Priority categorisation based on Sector Subject Areas

The tables above show a gradual shift in funding towards medium and high priority sectors. These tables should be treated with some caution as they only give a rough overall indication of prioritisation and it is necessary to look in more detail at the levels and types of provision within each sector.

Impact – Continue to address the relationship between key priorities and offers at the sector level, including the level of offer available.

²⁰ See regional skills priority matrix on page 22 for full table.

Regional skills priority and provision analysis matrix 2004/05 for Tees Valley²¹

Table 12: Provision analysis matrix 2004/05 - under 19								
Under 19	High		Medium		Low		Total	
	£ and Enrols	%	£ and Enrols	%	£ and Enrols	%	£ and Enrols	% Overall
Provision is likely to contribute to National Target	£31,452,700 48193	52%	£13,632,526 9850	23%	£5,004,135 7462	8%	£50,089,361 65505	83%
Provision could contribute to National Target	£2,830,990 3730	5%	£393,009 815	1%	£0 0	0%	£3,223,999 4545	5%
No longer eligible for LSC funding	£521,753 1443	1%	£8,275 33	0%	£95,204 853	0%	£625,232 2329	1%
Other (eg UFI and Unclassified)	0 0	0%	0 0	0%	0 0	0%	0 0	0%
Entitlement	0 N/A	0%	0 N/A	0%	£6,454,021 N/A	11%	£6,454,021 N/A	11%
Totals	£34,805,444 53366	58%	£14,033,810 10698	23%	£11,553,360 8315	19%	£60,392,613 72379	100%

Source: FE Differentiation Reports, January 2006

Table 13: Provision analysis matrix 2004/05- over 19								
Over 19	High		Medium		Low		Total	
	£ and Enrols	%	£ and Enrols	%	£ and Enrols	%	£ and Enrols	%
Provision is likely to contribute to National Target	£14,112,235 26538	47%	£4,453,551 7769	15%	£234,415 681	1%	£18,800,201 34988	63%
Provision could contribute to National Target	£6,685,581 19284	22%	£2,166,715 8590	7%	£37,632 39	0%	£8,889,928 27913	30%
No longer eligible for LSC funding	£1,730,336 10145	6%	£127,808 448	0%	£92,214 1459	0%	£1,950,357 12052	7%
Other (egg UFI and Unclassified)	0 0	0%	0 0	0%	0 0	0%	0 0	0%
Entitlement	0 N/A	0%	0 N/A	0%	93,500 N/A	0%	93,500 N/A	0%
Totals	£22,528,151 55967	76%	£6,748,073 16807	23%	£457,760 2179	2%	£29,733,985 74953	100%

Source: FE Differentiation Reports, January 2006

²¹ See 'How provision has been shifting' on pages 19 to 21 for analysis

Table 14: What we have delivered so far and our planned changes for 2006/07 (sheet 1 of 2) As extracted from Toolbox

SUMMARY OF YOUNG PEOPLE (16-18)	2004/05				
	Learners				Funding £
	Volumes of learners	In-year achievements (volume)	Ach/volumes		
FE Total Learners	18,560				£58,535,265
<i>of which...</i>					
Learners on Skills for Life target qualifications	7,452	3,808	51.1%		
Learners on a full Level 2 qualification	4,166	2,383	57.2%		
Learners on a full Level 3 qualification	6,928	3,383	48.8%		
Learners on 2 or more A2 qualis	1766	1526	86.4%		
Discrete* activity, e.g. fully ESF, or LIDF funded provision	326	165	50.6%		
School sixth form	932				£3,831,833
Work Based Learning	12 month average in learning (volume)	Framework achievements (volumes)	Framework achievement /12 month AiL		Funding £
WBL Total Learners	4,843				£8,938,027
<i>of which...</i>					
Learners on Skills for Life target qualifications					
Learners on an Apprenticeship	3,631	825	22.7%		
Learners on an Advanced Apprenticeship	1,106	218	19.7%		
Entry to Employment	Learners				Funding £
	Volumes (starts)	Numbers in learning	Av. length of stay (weeks)	Pos've destinations	
16-18 E2E	1,431	2236	24.3	615	£6,669,734

2005/06				
Learners				Funding £
Volumes of learners	In-year achievements (volume)	Ach/volumes		
17,235				£63,310,220
7,050	4,662	66.1%		
3,835	2,938	76.6%		
7,020	4,471	63.7%		
2217	2059	92.9%		
2000	1287	64.4%		
951				£3,988,115
12 month average in learning (volume)	Framework achievements (volumes)	Framework achievement / 12 month AiL		Funding £
4,172				£10,770,230
3,182	1030	32.4%		
997	228	22.9%		
	Learners			
Volumes (starts)	Numbers in learning	Av. length of stay (weeks)	Pos've destinations	Funding £
1,378	1,893	19.1	752	£6,381,746

2006/07				
Learners				Funding £
Volumes of learners	In-year achievements (volume)	Ach/volumes		
17,781				£65,323,581
7,541	5,168	69.4%		
4,117	3,120	75.8%		
7,268	4,591	63.2%		
2404	2242	93.3%		
3250	2089	64.3%		
960				£4,146,243
12 month average in learning (volume)	Framework achievements (volumes)	Framework achievement / 12 month AiL		Funding £
4,175				£10,060,838
3,139	983	31.3%		
1,070	246	23.0%		
	Learners			
Volumes (starts)	Numbers in learning	Av. length of stay (weeks)	Pos've destinations	Funding £
1,529	2089	18.2	855	£5,154,117

Table 14 (cont): What we have delivered so far and our planned changes for 2006/07 (sheet 2 of 2)

SUMMARY OF ADULTS (19+)	2004/05				2005/06				2006/07			
	Volumes of learners	Learners In-year achievement s (volume)	Ach/volumes	Funding £	Volumes of learners	Learners In-year achievements (volume)	Ach/volumes	Funding £	Volumes of learners	Learners In-year achievements (volume)	Ach/volumes	Funding £
FE Total Learners	52,097			£27,891,585	44,398			£26,311,196	36,920			£25,128,934
<i>of which...</i>												
Learners on Skills for Life target qualifications	3,202	1,876	58.6%		3,595	2,637	73.4%		5,006	3,439	68.7%	
Learners on a full Level 2 qualification	4,042	2,465	61.0%		4,410	2,894	65.6%		4,715	3,202	67.9%	
Learners on a full Level 3 qualification	2,189	953	43.5%		2,591	1,404	54.2%		2,632	1,463	55.6%	
Learners on 2 or more A2 quali	35	17	48.6%		34	28	82.3%		37	33	89.2%	
Discrete* activity, eg fully ESF, or LIDF funded provision	2,541	1335	52.5%		5,305	3518	66.3%		3,750	2,411	64.3%	
Adult & Community Learning	13,721			£4,655,863	14,053				13,854			
Work Based Learning	12 month average in learning (volume)	Framework achievement s (volumes)	Framework achievement / 12 month AiL	Funding £	12 month average in learning (volume)	Framework achievements (volumes)	Framework achievement / 12 month AiL	Funding £	12 month average in learning (volume)	Framework achievements (volumes)	Framework achievement / 12 month AiL	Funding £
WBL Total Learners	2,091			£2,538,007	1810			£3,103,788	1,542			£1,893,217
<i>of which...</i>												
Learners on Skills for Life target qualifications												
Learners on an Apprenticeship	1,055	232	22.0%		958	304	31.7%		773	254	32.9%	
Learners on an Advanced Apprenticeship	988	148	15.0%		895	232	25.9%		843	258	30.6%	
ETP / NETP Level 2	Volumes of learners	In-year achievements (volume)		Funding £	Volumes of learners (ETP funded only)	In-year achievements (volume)		Funding £	Volumes of learners	In-year achievements (volume)		Funding £
					213				282			
Skills for Life					538				626			
Budgets	FE	WBL	E2E	SSF	ACL	ETP/NETP	Development Funding	Capital	Administration	Other Programme Budgets		
2004/05	£93,653,875	£13,644,418	£6,790,000	£5,975,092	£4,655,945		£5,938,323	£1,824,368	£2,050,841	£3,156,352		
2005/06	£94,317,704	£13,768,915	£6,530,416	£6,409,930	£4,475,093		£2,408,182	£765,462	£1,873,313	£3,747,299		
2006/07	£99,425,016	£13,058,787	£6,198,109	£6,169,493	£4,091,000		£2,017,488	£266,250	£1,873,313	£1,185,874		

Regional area of focus - those not in education, employment or training

The numbers of those not in education, employment or training (NEET) across the North East remain significantly above the national average. Accordingly, this is the single additional area of focus identified for the North East for 2006/07.

Table 15: 16-18 NEET – North East region						
	November 2004			November 2005		
	Number of NEET	% NEET	% Not known	Number of NEET	% NEET	% Not known
County Durham	1,661	11.1%	9.1%	1,761	11.9%	9.2%
Northumberland	689	7.3%	6.3%	818	8.7%	5.0%
Tees Valley	2,367	10.2%	18.3%	2,453	9.8%	6.4%
Tyne & Wear	4,460	11.8%	7.5%	4,239	11.3%	7.5%
North East	9,177	10.7%	10.8%	9,271	10.7%	7.2%
England	110,397	7.1%	6.8%	112,648	7.1%	6.8%

Source: Connexions

A regional review of NEETs identified a number of the challenges we face in achieving the nationally-agreed target of reducing the NEET group by 2 percentage points by 2010. This work is suggesting that, in order to close the gap with the national average, a regional reduction of 4 percentage points should be set as the target. In order to achieve this, a number of key strategic actions are being developed. These are:

- Building high level strategic commitment to NEETs through City Regions, Local Area Agreements and through joint regional Connexions Services and Children's Trusts. This will lead to local action by partners through 14-19 partnerships or collaborative arrangements.
- Ensuring that 14-19 partnership/collaborative delivery plans include, for example, NEETs targets based on reliable data, a focus on local geographical hot spots, identify the characteristics of those who are NEET, have a clear understanding of the barriers facing individual young people and base future provision on what has been proven to make a difference.
- Agreeing appropriate assessment arrangements are in place to ensure learners gain access to the right level of learning and the right level of support.
- Ensuring there is the right level and range of provision through 14-19 partnerships and collaborative arrangements.
- Mainstreaming provision through the flexible use of funding.
- Building capacity and quality.

The key changes needed

The analysis points to a number of key changes, improvements and shifts that are needed in provision. These provide a framework for the actions outlined in the next section.

- Increase the number of young people who reach at least Level 2 by age 19 between the ages of 16 and 19 from 2,811 in 2004/05 to 3,063 in 2006/07.
- Increase the number of Apprenticeship completions from 1,328 in 2004/05 to 1,522 in 2006/07 by increasing the framework completion rate to 48%.
- Contribute towards a reduction of 16-18 year old NEETs in the Tees Valley.
- Increase adult achievement volumes at Level 2 by delivering 3,456 full Level 2 achievements through further education and work based learning.
- Support potential learners to receive guidance and support to enable them to move into Level 2 provision.
- Increase adult achievement at Level 3 by delivering 1,319 full Level 3 achievements through further education and work based learning.
- Respond to the emerging Sector Skills Agreements and other priority sector requirements to meet employer needs for specific qualifications.
- Build capacity and expand participation in learning with the voluntary sector.
- Challenge stereotyping so that provision reflects the diversity of the area and learners can access a relevant learning opportunity and achieve their potential.
- Improve the quality and appropriateness of provision.
- Deliver 6,725 Skills for Life achievements counting towards the national target.
- Increase the skills development activities within the public sector workforce.
- Up-skill and prepare our own workforce.

The following table provides more detail on how these key changes are to be delivered.

Table 16: Key actions

Priority	Action	Measure of Success
ASP1	<p>Increase the number of young people who gain at least a Level 2 by age 19 in 2006/07.</p> <p>Supported by:</p> <ul style="list-style-type: none"> Development of a system for tracking of the 16-18 cohort through to achievement of Level 2, taking into account the lessons learnt from pilot activity in the region. 	<p>3,063 learners gain Level 2 by age 19 between the ages of 16 and 19 in 2006/07, 252 more than in 2004/05.</p>
	<ul style="list-style-type: none"> Increase in positive outcomes from Entry to Employment (E2E). 	<p>Increase to 47% in 2006/07 the proportion of leavers from E2E progressing to a positive outcome. In addition increase to 35% the proportion of leavers from E2E progressing into continued learning.</p>
	<ul style="list-style-type: none"> Delivery of Education Maintenance Allowances (EMAs). 	<p>(a) Deliver EMAs to 6,335 16-18 year olds in 2006/07.</p>
		<p>(b) Manage the extension of EMAs to 300 non-waged learners in 2006/07.</p>
ASP1	<p>Increase the number of Apprenticeship framework completions in 2006/07</p> <p>Supported by:</p>	<p>Increase Apprenticeship framework completions in 2006/07 to 1,522 and the framework completion rate to 48%.</p>
	<ul style="list-style-type: none"> Improved Apprenticeship completions at sector level 	<p>(a) Increase Apprenticeship completions in ICT from 42% to 46% in 2006/07.</p>
		<p>(b) Increase Apprenticeship completions in Engineering and Manufacturing from 44% to 47% in 2006/07.</p>

Priority	Action	Measure of Success
	<ul style="list-style-type: none"> Increase in Pre-Apprenticeship programme 	Through European Social Fund (ESF), provide 80 additional places on pre-apprenticeship programmes in 2006/07.
	<ul style="list-style-type: none"> Extend provision in Advanced Apprenticeships 	Create an additional 70 Advanced Apprenticeships within Centre of Vocational Excellence (CoVE) provision in 2006/07.
	<ul style="list-style-type: none"> Support and develop Construction Skills North East Regional Sector Skills Agreement target priority of 'Recruiting Qualified New Entrants'. 	Support the Construction Skills target of increasing to 45% the number of apprentices completing their Apprenticeship frameworks in 2006/07.
	<ul style="list-style-type: none"> Develop Programme Led Pathways 	Convert 150 Programme Led Pathway learners into Apprenticeships in 2006/07.
ASP1	Contribute toward a reduction of NEETs in the Tees Valley	(a) Via ESF provide programmes of support for 500 13-17 year olds at risk of not becoming engaged in education, employment or training in 2006/07.
		(b) Provide 300 additional places on pre E2E programmes through ESF in 2006/07.
		(c) In 2006/07 deliver a programme of education business link activity to include 8,200 work experience places, 100 professional development days for teachers and 250 employers engaged in work related activity.
		(d) Increase the access of young people to Increased Flexibility programmes to 2,000 in 2006/07.
		(e) Develop a bid for a retail Young Apprenticeship programme to provide places for 30 young people starting in September 2006.

Priority	Action	Measure of Success
		(f) Support Construction Skills and complement the pilot GCSE in Construction to 2 cohorts of 15 learners across 2 schools in 2006/07.
		(g) In 2006/07 establish 5 key sector focused partnerships of employers, training providers, sector bodies and schools to develop and deliver vocational qualifications for delivery to the 14-19 group. Each group to agree an Action Plan by 31 December 2006.
		(h) In 2006/07 establish a local retail partnership group to mirror the existing regional partnership and to work with 5 schools to develop and implement the specialist diploma in retail.
ASP2&4	Increase adult achievement at Level 2 Supported by:	
	<ul style="list-style-type: none"> Increase the volume of full Level 2 achievements delivered through mainstream funding 	Deliver 3,456 full Level 2 qualifications through further education and work based learning in 2006/07, 750 more than in 2004/05.
	<ul style="list-style-type: none"> Increase delivery of first full Level 2 via the further education sector 	In 2006/07 increase the percentage of full Level 2 qualifications delivered by the further education sector that are first Level 2 qualifications to 42%.
	<ul style="list-style-type: none"> Use the Train to Gain programme to deliver first full Level 2 	Deliver the Tees Valley share of the national target for first full Level 2 qualifications through the Train to Gain programme in 2006/07.

Priority	Action	Measure of Success
ASP2&4	Support potential learners to receive guidance and support to enable them to move into Level 2 provision. Supported by:	In 2006/07 provide individual information, advice and guidance sessions to 4,400 adults yet to achieve a Level 2 qualification via Nextsteps.
	<ul style="list-style-type: none"> Increase support via the Adult Learning Grant. 	Support 300 learners with an Adult Learning Grant in 2006/07.
ASP2&4	Increase adult achievement at Level 3 Supported by:	Deliver 1,319 full Level 3 achievements through further education and work based learning in 2006/07, 318 more than in 2004/05.
	<ul style="list-style-type: none"> Focus on delivery to those sectors where specific needs have been identified. 	(a) In 2006/07 increase participation on Level 3 programmes through the Building Services CoVE at Hartlepool College of Further Education from 285 to 299.
		(b) In 2006/07 increase participation on Advanced Apprenticeships through the Building Services CoVE at Hartlepool College of Further Education from 29 to 32.
		(c) Via ESF, deliver flexible training to enable 30 childminders to achieve the CACHE Level 3 Certificate in Childminding Practice.
ASP2&4	Respond to the emerging Sector Skills Agreements to meet employer needs for specific qualifications:	

Priority	Action	Measure of Success
	<ul style="list-style-type: none"> Deliver specific qualifications in information technology, engineering and construction. 	(a) Establish ITQ provision in the Tees Valley by September 2006. Deliver 3,120 ITQ in 2006/07 in the Tees Valley, contributing towards the regional requirement of 12,000 ITQ in 2006/07.
		(b) Deliver the Tees Valley share of the regional requirement for 30,280 Level 2 and 3,785 Level 3 Business Improvement Techniques (BIT) qualifications in 2006/07.
		(c) Deliver the Tees Valley share of the regional requirement of 4,490 Level 2 On Site Assessment and Testing (OSAT).
ASP2&4	Build capacity and expand participation in learning with the voluntary sector through ESF funding.	Improve the qualifications of 100 employed and non employed people working within the voluntary sector in 2006/07.
ASP1	To challenge stereotyping so that provision reflects the diversity of the area and all learners can access a relevant learning opportunity and achieve their potential.	(a) Increase the representation of female learners in the further education engineering and manufacturing area of learning to 15% in 2006/07.
		(b) Increase the representation of female learners in the work based learning engineering and manufacturing area of learning to 5% in 2006/07.
		(c) Increase the representation of female learners in the further education construction area of learning to 11% in 2006/07.
		(d) Increase the representation of female learners in the work based learning construction area of learning to 5% in 2006/07.

Priority	Action	Measure of Success
		(e) Increase the representation of male learners in the work based learning health and social care areas of learning to 11% in 2006/07.
		(f) Increase the representation of ethnic minorities from Middlesbrough on work based learning programmes to 6.3% in 2006/07.
		(g) Increase the representation of male adult learners in Adult and Community Learning (ACL Funded) to 27% in 2006/07.
		(h) Via ESF, 20 women gain higher level skills in construction and engineering in 2006/07.
		(i) Via ESF in 2006/07, 37 women gain qualifications to enter or further careers in engineering. 30 to be in employment on leaving the programme.
		(j) Via ESF in 2006/07, 40 unemployed adults with learning difficulties and/or disabilities (LLDD), returning from LLDD residential college, to receive intensive support to assist transition into the community. This will include personal, social and employment skills.
ASP3	Improve the quality and appropriateness of provision	(a) Cease to contract with providers that fail to reach the minimum floor targets in line with national criteria in July 2006.
		(b) During 2006/07 support quality improvement with providers with a grade 4/5 profile or cease to contract if reasonable improvements are not achieved.

Priority	Action	Measure of Success
ASP4	Deliver Skills for Life achievements counting against the National target. Supported by:	Deliver 6,725 qualifying Skills for Life completions in 2006/07.
	<ul style="list-style-type: none"> Increase the proportion of provision that counts towards the National target. 	(a) In 2006/07 increase to 75% the proportion of adult (19+) Skills for Life provision that counts against the target.
		(b) In 2006/07 increase to 70% the proportion of adult (19+) ACL Skills for Life provision that counts towards the target.
		(c) Increase to 70% the proportion of adult (19+) further education provision that counts towards the target.
		(d) Increase to 90% the proportion young people's Skills for Life provision that counts towards the target.
		(e) Deliver 250 qualifying Skills for Life qualifications through the Employer Training Pilot Phase 4.
	<ul style="list-style-type: none"> Use of ESF funding to deliver Skills for Life qualifications. 	Deliver 150 Skills for Life qualifications through ESF contracts in 2006/07.
ASP5	Increase the skills development activities within the public sector workforce.	(a) Establish the number of apprentices employed within each of the 5 local authorities by 31 March 2007 and agree volume increases with each area.
		(b) Deliver training to 275 classroom assistants and support staff to a minimum Level 2, contributing to the regional target of 850.

Priority	Action	Measure of Success
ASP6	Up-skill and prepare our own workforce Supported by	Complete restructure of the new LSC in accordance with Theme 7 by 1 st June 2006.
	<ul style="list-style-type: none"> Establishment of local Partnership Teams and an Economic Development Team. 	(a) Five geographically-based Partnership Teams, covering the five Local Authority areas, in place by 1 st June 2006.
		(b) One Economic Development Team, covering the Tees Valley and Durham, in place by 1 st June 2006.

Our delivery resources

Partnership working

During the life of this plan, the LSC will undertake a major restructuring in the way that it operates. The aim of this change is to raise the impact that the LSC is making in increasing the level of learning and skills of the nation. This work cannot be done by the LSC alone.

Major partners are recognising the benefits of aligning their plans, thereby maximising likely impact and ensuring a joined-up approach. To do that, the LSC has acknowledged a need to strengthen its commitment to working with key local partners. In the Tees Valley, this means that five Partnership Teams are proposed, each headed by a Local Director. Alongside this will be a sub regional Economic Development Team, again headed by a Director, which will work with local partners to support the economic and social regeneration of the Tees Valley. Together these teams will provide a much stronger focus for our work with partners. Sub regionally, we are also actively engaged with partners in exploring how we can align planning and resources in the context of the proposals for City Regions currently being developed.

We will also work with partners such as the Regional Language Network North East (RLN NE), Train to Gain brokers and language skills providers to develop a programme of language and cultural skills for business, including a programme aimed at training the brokers themselves. This will help them identify situations where employers could benefit from having staff trained in language and cultural skills and to understand and identify appropriate language skills provision. RLN NE will then set this work in the context of the Northern Way by working with RLN NW and RLN YH to partner appropriate organisations in the other two northern RDA areas.

This plan has been developed in part through regular discussions with colleges and learning providers on the key issues facing the Tees Valley. To ensure that these issues are fully understood, we will continue to support and engage with college governors both through contact with individual boards and through local governing body network events.

Train to Gain will be operational across the whole region with effect from 1st April 2006. Contracts with the existing ETP Phase 4 providers, including ESF providers, will be extended to allow new learners and employers to be engaged from the period 1st April to 31st July 2006.

The LSC will work with employers, skill brokers, the Regional Skills Partnership and Sector Skills Councils to discuss and agree the provision required to meet employers' skills needs within regional priorities. An open and competitive procurement exercise will be completed in spring 2006 to contract the 'planned but subject to employer choice' element of Train to Gain. Regional targets are still to be confirmed. However they will support the 2006/07 national targets of:

- 33,000 employers contracted
- 233,649 learners and
- 45,616 first Full Level 2 achievements

Extensions to the existing Business Link contract will be made for the period 1st April – 31st July 2006. Subsequently one Regional contract will be agreed for the period 1st August 2006- 31st March 2009, subject to annual review. The service will be impartial and independent and will meet the needs of local employers.

Local Council

Our local Council has played a key role in the development of this plan, through regular discussion and debate at Council meetings and a series of focussed workshops on key priorities and issues. Regular reporting to the local Council of progress towards the targets outlined in this Plan will ensure that Council members are kept fully informed of progress.

The local Council currently has two sub-groups; an Employer Sector Chairs Group and an Equality and Diversity Working Group. Through both of these groups, Council will look to continue to review the key issues highlighted and ensure that the key priorities of this plan are promoted and remain regular agenda items. In order to do this more effectively, the membership of both groups is currently under review. Council members have also taken the decision to invite the further education colleges to be involved in this review.

Current further education estate

Tees Valley LSC's primary capital objective is to facilitate the renewal and/or refurbishment of the area's FE estate by 2013 in line with the LSC's Regional and National Capital Strategy objectives. Significant progress has been made since 2001 in bringing the FE estate up to world class standard. Recent new developments include further improvements at Stockton Riverside College and Queen Elizabeth Sixth Form College

Work is also nearing completion on the redevelopment of Darlington College on a new site as part of a wider regeneration scheme in Darlington.

In addition the LSC has granted approval in principle to major new college developments at

- Redcar and Cleveland – consolidation on to a single site.
- Middlesbrough College - similar to Darlington College, this involves the development of a new college on a single site (the college is on four separate sites at the moment) as part of a major regeneration scheme in central Middlesbrough.

A partial refurbishment of Hartlepool FE College has also been approved.

Although the implementation of the current ongoing schemes will have a major impact, there is still much more to be done in order to address the areas capital priorities.

Most of the current estate back to the 1950/60s and is typical of construction at that time: expensive to maintain, in need of major repairs and nearing the end of its useful life. The estate is also particularly inefficient in terms of space utilisation resulting in inflated operating costs. In short, much of the estate is generally poor and does not meet world-class standards.

Current estimates indicate that, overall, approximately 141,000 square metres of the FE estate (79%) is either in need of renewal or major refurbishment in order to bring it up to a world-class standard.²² The LSC's preferred option is to support renewal of the estate where this is financially viable. Current estimates are that between £169 million and £227 million of capital investment is required in order to achieve world class standard.

The FE estate within Tees Valley is estimated to be approximately 29,000 square metres (19%) larger than the maximum warranted size that LSC space utilisation criteria allows. Based on current average estate running costs of £63 per square metre, it can be implied that annual savings of £1.81 million could be achieved within Tees Valley FE sector by rationalisation of the estate.

The key performance objectives within Tees Valley are to increase the area of the estate classified as meeting world class standards and to reduce over-capacity. The first stage of this will be the implementation of the current, ongoing and AIP projects over the next 3 years.

Table 17: Further education estate performance objectives		
Performance Objective	Current Performance	Target Performance (January 2009)
Space utilisation - % over capacity at maximum allowance	19.2%	1.6%
Estate quality - % classed as not of world class standard	79.2%	35.8%

Source: LSC

Over the period of the current capital plan it is envisaged that space savings of 26,000 sq. m. will be achieved equating to a 15% reduction in the overall size of the state. The estimated annual savings in premises running costs are £1.6m. In this period the amount of accommodation classed as not meeting world class standards will be reduced by 50% to around 36% of the remaining estate.

The implementation of planned projects will further reduce over capacity and the extent of poor quality accommodation. This will be reviewed on an annual basis in order to ascertain the ongoing performance of the estate.

Equality and diversity

The LSC recognises its statutory duties under Race Equality legislation and emerging duties around Disability and Gender Equality. We will work in partnership with colleagues at regional and national level to support the process of Equality Impact Assessments across all functional areas.

We will ensure that planned activities take account of our duty to promote equality of opportunity in relation to race, gender and disability and our responsibilities

²² LSC, World Class Buildings: Design Quality in Further Education March 2005
G:\Organisational Data\Knowledge Services at CVHE-Comms\Annual Plans-Final\Tees Valley Final Annual Plan May 06.doc
09/06/2006

under other equality legislation including the Race Relations Act, the Disability Discrimination Act and European regulations relating to sexual orientation, religion or faith and age. Our actions and activities which are covered in this plan will be underpinned by, and reflect, the Council's Race Equality Scheme.

The specific equality and diversity impact measures for Tees Valley for 2006/07, agreed in 2005, are to increase the representation of:²³

- Female learners in the further education engineering and manufacture area of learning from 11.1% in 2003/04 to 15.0% in 2006/07.
- Female learners in the work based learning engineering and manufacture area of learning from 1.6% in 2003/04 to 5.0% in 2006/07.
- Female learners in the further education construction area of learning from 5.9% in 2003/04 to 11.0% in 2006/07.
- Female learners in the work based learning construction area of learning from 1.7% in 2003/04 to 5% in 2006/07.
- Male learners in the work based learning health and social care area of learning from 6.1% in 2003/04 to 11.0% in 2006/07.
- Ethnic minority learners in Middlesbrough in work based learning from 4.9% in 2003/04 to 6.3% in 2006/07.
- Male adult (19+) learners in Adult and Community Learning (ACL-funded) from 25% in 2003/04 to 27% in 2006/07.

We also recognise the importance of embedding equality and diversity in our own workforce through the identification, development and dissemination of good practice. At present, the profile of the LSC workforce in the Tees Valley does not represent that of the learners we represent.

In view of the impending LSC restructuring exercise, it is not appropriate to set specific targets at the present time. However, following the completion of the exercise in June we will look to develop appropriate regional targets.

Reducing re-offending through learning and skills

Each year within the North East, there are approximately:

- 4,500 offenders in custody, of whom over half return to live in the region;
- 15,000 offenders in the community; and
- 14,000 juvenile referrals to the Youth Offending Service.

Offenders are one of the most disadvantaged groups in terms of access to employment and learning and skills. 52% of men and 71% of women do not have any qualifications. 80% have numeracy needs below Level 1 and 65% have literacy needs below Level 1.

Juvenile offenders form a significant group within NEETS. We will address this issue through a Performance Agreement with the Youth Justice Board in order to

²³ The Areas of Learning are being replaced by Sector Subject Areas. As a result some revisions to both the definitions of the EDIMS, and the targets, will be made during 2006/07.

reach a target of 90% of juvenile offenders in education, employment or training. Directed interventions via the Youth Offending Teams will also form a major part of this activity.

The acquisition of skills and qualifications which promote access to employment has been proven to impact on the likelihood of re-offending.

In December 2003, Ministers agreed that responsibility for the planning and funding of offender learning and skills should transfer to the Learning and Skills Council. In August 2005 the North East became one of three development regions responsible for implementing and developing the New Integrated Offender Learning and Skills Service.

The priorities for 2006/2007 are to continue to improve both the quality and range of provision within custody. We will ensure that provision reflects identified skill shortage areas and employer needs, as well as increasing access to mainstream learning and skills provision for offenders in the community and driving improvement in terms of learner participation, retention and achievement .

Learners with learning difficulties and/or disabilities

Under the Learning and Skills Act 2000, the Council has a specific responsibility to consider the needs of young people and adults with learning difficulties and/or disabilities. There are robust arrangements in place to ensure that this group of learners have access to suitable provision that meets their needs and where appropriate the additional support required.

A strategic review of the planning and funding of LSC provision for learners with learning difficulties and/or disabilities was completed in September 2005.²⁴ A regional response to the review is currently being formulated.

Sustainable development

In September 2005, we published our strategy on sustainable development.²⁵ Our vision is that the learning and skills sector will proactively contribute to sustainable development through the management of resources, the learning opportunities it delivers and its engagement with communities. In particular, during the lifespan of this plan, the LSC, colleges and other learning providers will:

- Decide how best they can contribute to sustainable development through a structured programme of capacity building;
- Undertake a baseline audit of current sustainable development activity and identified examples of good practice;
- Agree on the guiding principles and approaches they will adopt;
- Include criteria for strategic development in all guidance and reporting requirements;

²⁴ LSC 'The Report of the Steering Group for the Strategic Review of the LSC's Planning and Funding of Provision for Learners with Difficulties and/or Disabilities across the Post-16 Learning and Skills Sector' September 2005

²⁵ LSC 'From Here to Sustainability: The Learning and Skills Council's Strategy for Sustainable Development' September 2005

- Use their experience of implementing sustainable development to identify risks and opportunities;
- Understand what improvement looks like for the sector and develop a reporting framework;
- Agree longer term milestones for 2020 and beyond;
- Launch pilot projects to develop good practice and contribute towards sustainable development in the sector.

This activity is being undertaken as part of discussions with providers in early 2006.

Health and safety

The health and safety of learners is a fundamental value for the LSC. We believe that learners are entitled to learning that takes place in a safe, healthy and supportive environment. Our policy is to adopt a 'best practice' role with regard to the promotion of learner health and safety, by applying the following four core principles:

- To expect that colleges and other providers funded by the Council will fully meet their legal obligations and 'duty of care' to learners;
- To seek assurance that colleges and other providers have suitable and sufficient arrangements for learner health and safety;
- To take appropriate action where expected standards are not met or maintained;
- To promote the raising of standards for learner health and safety through support, and challenge, as appropriate.

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